

Mari Petroleum Company Limited

Result Review: 1HFY24 EPS @ PKR 281.14

Net Profit surge by 65% YoY to PKR 137.64/share

Mari Petroleum Company Limited (MARI) announced its financial result today, posting a bottom line of PKR 37,505mn (EPS: PKR 281.14) during 1HFY24 against PKR 23,862mn (EPS: PKR 178.87) in 1HFY23, up by 57% YoY. On a quarterly basis, the company's profitability arrived at PKR 18,361mn (EPS: PKR 137.64), up by a massive 65% YoY. Alongside the result, the company announced an interim cash dividend of PKR 98.00/share in 2QFY24 (PKR 89.00 in 2QFY23).

Result Highlights

- Topline in 1HFY24 swelled up by 54% YoY, settling at PKR 93,745mn compared to PKR 61,002mn in SPLY amid i) 17% and 34% YoY jump in gas and oil production, respectively, ii) 29% YoY hike in the wellhead price of Mari Gas Field, and iii) 22% YoY Pak Rupee depreciation against the greenback. During 2QFY24, the net sales expanded by 56% YoY, arriving at PKR 45,539mn given i) higher wellhead gas price of Mari Gas Field, ii) 21% YoY devaluation of PKR against USD, and iii) 25% and 19% YoY growth in gas and oil production, respectively.
- The exploration cost contracted by 47% YoY to PKR 3,256mn in 1HFY24 absence of dry wells during the period. Meanwhile, the exploration cost during 2QFY24 arrived at PKR 1,465mn, down by 66% YoY due to the aforementioned reason.
- The finance income arrived at PKR 4,098mn in 1HFY24 versus PKR 2,214mn in SPLY, up by 85% YoY on account of higher income on cash and cash balances coupled. Whereas, finance income during 2QFY24 settled at PKR 1,606mn, showcasing an increase of 35% YoY owing to higher interest income during the quarter.
- The company booked effective taxation at 40% in 2QFY24 vis-à-vis 34% in 2QFY23.

Exhibit: Financial Highlights

(PKR mn)	1HFY24a	1HFY23a	YoY	2QFY24a	2QFY23a	YoY	QoQ
Net Sales	93,745	61,002	54%	45,539	29,177	56%	-6%
Operating Costs	14,640	9,537	54%	7,022	3,683	91%	-8%
Gross Profit	67,358	43,783	54%	32,761	21,816	50%	-5%
Exploration Cost	3,256	5,723	-43%	1,465	4,344	-66%	-18%
Finance Income	4,098	2,214	85%	1,606	1,192	35%	-36%
Profit after Taxation	37,505	23,862	57%	18,361	11,147	65%	-4%
EPS (PKR)	281.14	178.87		137.64	83.56		
DPS (PKR)	98.00	89.00		98.00	89.00		

Source (s): Company Financials, AHL Research

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Other information

- During 1H FY24, appraisal-cum-exploratory well Shewa-2 resulted in gas discovery.
- Mari Ghazij-2 (appraisal well) and Mari-124H (horizontal well) have completed drilling and connected to production stream.
- Maiwand X-1 (exploratory well) has completed drilling and undergoing testing at present.
- The company has acquired 44% working interest in Kalchas South Block.
- At Sachal Gas Processing Complex third amine sweetening unit has been commissioned.
- Early Production Facilities at Shewa are about to reach completion.

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